MARKETING

Operators: '90s advertising must begin in the unit

Marketing trends veer from flashy campaigns, focus on in-store promos

by Bill Carlino

Embracing more straightforward tactics to juice up traffic counts, restaurant operators are relegating catchy jingles to the back burner and turning to local store promotions.

While restaurant advertising in the 1980s was geared toward often-repeated slogans like "Where's the Beef?" and "It's time to make the doughnuts," operators are filling this year's promotional calendars with children's programs, discount coupons, new product introductions, take-out services and special event or motion picture tie-ins.

"The 1990s will have to be a back-to-basics decade," warned Al Ries, of the Greenwich, Conn.-based marketing firm of Trout and Ries. "Whether it's a national TV campaign or a two-for-one coupon you'd find in a newspaper, most chains will stay conservative and not venture into something exotic. That was one of the key mistakes of the 1980s."

"Advertising has to begin in the stores or restaurants in order to fulfill its primary purpose — to distinguish your operation from everyone else's," said Brad Todd, a principal at The Richards Group, Dallas, which currently does creative work for several major restaurant chains, including T.G.I. Friday's, Ponderosa, El Chico and Pizza Inn.

According to the National Restaurant Association's Industry Operation's Survey, about 18 percent, or nearly one of every five visits to a fast-food or family restaurant, involved some type of price discount or coupon promotion in 1989 — a 2-percentage-point increase over the 1988 figure.

"You'll see more local-level promotions in the 1990s, especially from larger operations that have already run the advertising gamut," Todd continued. "In order for an idea to advance chainwide, it has to build area awareness."

As a caution flag against operators' venturing into high-budget and mystery-type campaigns, Ries cited the mid-1980s washout of Burger King's "Herb" character and, more recently, the mass-media effort launched by Nissan to complement the rollout of its Infiniti sports car.

"Both Burger King and Nissan aired hundreds of expensive TV commercials that attempted to build suspense over the long-awaited arrival of the character and the car," Ries said. "And when the numbers came in, guess what? Burger King wasn't selling any more hamburgers and the Infiniti didn't move."

Industry advertising highlights for this year will include a host of new menu items from Kentucky Fried Chicken, International Dairy Queen and TCBY; ongoing price discounts from major pizza operations like Pizza Hut and Little Caesar's; concerted promotional challenges from upscale dinner houses; and more mid-sized operations increasing their use of radio.

"Basically, price-point promos like our current 'sausage lovers' campaign will play a large part in advertising for us and probably for the entire industry," said Steve Davis, vice president of national marketing for Pizza Hut.

Davis, who, like most operators, interviewed indicated a slight increase in this year's advertising budget, said the 6,800-unit operation hopes to mirror the success of its new product launchings over the past decade, which included pan pizza, personal pan pizza and hand-tossed pies.

Although major TV network campaigns are the rule rather than the exception for segment leaders like McDonald's, Burger King and KFC, operations without the luxury of a mega-dollar ad budget are taking advantage of less expensive spot buying of radio air time.

Statistics released by the Television Bureau of Advertis-

*(See **OPERATORS,** page 79)*

Top 10 restaurants in total estimated media spending (1989)

Chain	Amount (in millions)	Percentage change from 1988
1. McDonald's	$427,589.5	7.0%
2. Burger King	128,474.3	4.0
3. Kentuckty Fried Chicken	112,755.4	13.0
4. Wendy's	90,534.4	5.0
5. Pizza Hut	87,404.3	5.3
6. Domino's	62,363.3	14.9
7. Taco Bell	59,662.4	– 8.1
8. Red Lobster	56,376.5	11.0
9. Hardee's	40,664.4	– 9.1
10. Long John Silver's	23,568.1	– 9.3

Includes: magazines, Sunday magazines, newspapers, outdoor, network TV, spot TV, syndicated TV, cable TV, network radio.

Source: LNA/Arbitron Multi-Media Service and NRN projections.

AD WATCH

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Just get me to the church on time:

The Holiday Inn Crowne Plaza in Natick, Mass., trumpets its extensive banquet facilities and wedding packages for marriage-minded couples in the Boston hub. The ad appeared in a recent issue of Boston magazine.

"AdWatch" submissions should be either proofs, prints, or stills of a new print, direct mail, or television advertisement for a restaurant or restaurant chain, with accompanying information on the responsible agency name, if any, and the media time and placement schedule. Submissions should be sent to: Marketing Editor, Nation's Restaurant News, 425 Park Ave., New York, N.Y. 10022.

MARKETING DIGEST

Marriott unveils new print ads

WASHINGTON — Marriott Hotels and Resorts has released "Service. The Ultimate Luxury," its first national print ad campaign in more than four years. Targeted at the business traveler, the massive print effort appears in several leading publications, including The Wall Street Journal, The New York Times, Newsweek, The Chicago Tribune, Time and BusinessWeek.

Marriott officials would not disclose how long the campaign would run.

ShowBiz Pizza launches new TV spots

IRVING, Texas — ShowBiz Pizza Inc., operator of ShowBiz Pizza Place and Chuck E. Cheese's pizza restaurants, has unveiled a pair of 30-second spots, scheduled to air in about 70 of the chain's markets.

One of the new commercials centers on a dream-sequence vignette about a boy's visit to either a ShowBiz or Chuck E. Cheese's unit, while the other spotlights a catchy jingle complete with a bouncing ball to encourage the viewing audience to sing along.

Both spots, which carry the operation's ongoing tag line, "Where a Kid Can Be a Kid," are the creation of the Keller-Crescent agency, Dallas.

Olive Garden chain celebrates Carnivale

ORLANDO, Fla. — The Olive Garden, the 150-unit Italian dinner-house subsidiary of the General Mills Restaurant Group, is staging its own version of the annual spring Venetian Carnival or "Carnivale."

During the celebration, which is scheduled to run through April 8, each Olive Garden restaurant will offer four nev' entrées; tiramisu, a layered dessert; and a selection of wines from the Venice region. In addition, all front-of-the-house employees will don traditional festival costumes and masks, and Olive Garden hosts and hostesses will appear as Venetian "gondoliers."

Shakey's appoints new marketing VP

SAN FRANCISCO — Shakey's Inc., franchisor of more than 200 pizza restaurants throughout several Western states, has named James Fisher its vice president of marketing.

Fisher, who held the posts of senior national marketing director and senior national advertising director at Pizza Hut, had spent 12 years as an advertising executive before joining the Pepsico subsidiary in 1984.

According to Eugene Stone, Shakey's president and chief executive, the marketing position filled by Fisher had been vacant for several years.

PURCHASING

At Golden West, flexibility + teamwork = results

by Patt Patterson

Golden West Restaurants
Salinas, Calif.
Operation: 18-unit family restaurant chain
Menu: American home-style
Annual sales: $22 million (est.)
Average seating: 100+
Check: Breakfast — $3.00; lunch — $4.00; dinner — $5.00
Key Buyer: Ed McConnell, director of purchasing

"You have to stay flexible," according to Ed McConnell, "if you want your purchasing operation to run smoothly." McConnell is director of purchasing for Golden West Restaurants, based in Salinas, Calif. "You have to be on the lookout for new ideas and new products. You have to monitor quality and service, and you have to watch market conditions like a hawk.

"And it takes teamwork within the organization to achieve the results you want."

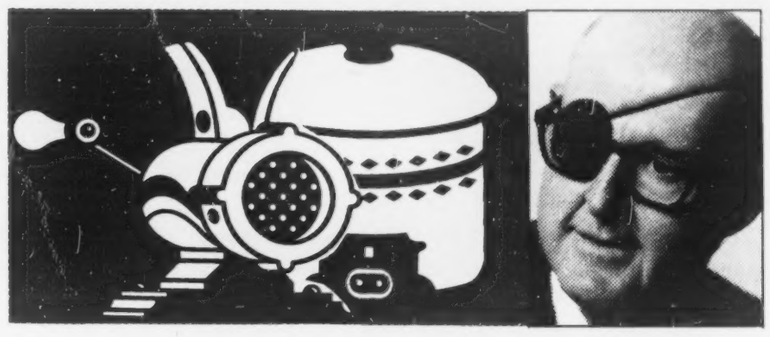
Teamwork is mentioned frequently in any discussion with McConnell. Golden West is a family-run company, and McConnell stressed that family members, key executives, district supervisors and unit managers work together to keep the operation "on the ball."

McConnell works with one master distributor that services the units in Northern California and Nevada with dry and frozen grocery items. In addition, he works with meat, produce, dairy, bakery, beverage and specialty suppliers throughout Golden West's marketing area. McConnell's responsibilities are food purchasing, quality control and supplier relations. Units get their non-food supplies and equipment through Golden West Supply Co., a corporate subsidiary that does not fall under McConnell's department.

"I work with food distributors, brokers and manufacturers," McConnell said. "I see a lot of sales representatives, almost daily. I generally try to schedule appointments for Tuesday through Friday. In the average week I'll have appointments with at least seven or eight.

"I try to use these visits to my advantage. I get a pretty good broad view of what's happening in the marketplace. I get a good cross-reference of market pricing.

"They bring me a lot of new products, and I can get a feel for what the public wants by finding out what's happening in other operations."



McConnell joined Golden West four years ago, after serving as purchasing director for two Monterey Peninsula resort hotels. "When I came here, I was charged with setting up programs with suppliers that will work efficiently and smoothly," he said. "Right now we're working with better than a 98-percent service level. 'Outs' are almost non-existent."

Quality control is one of McConnell's major concerns. "Purchasing is more than just watching dollars," McConnell said. "It's really a matter of quality and service. I have to make sure what we buy meets our high quality standards and follow through to see that quality reaches the units.

"The key is communication. It takes constant communication with manufacturers, with distributors and with our own units. I spend a lot of my time out visiting the units, talking with unit managers and district supervisors. And it requires communication with top management.

"You have to be flexible. Not everyone sees things the same way. In the final analysis our customers really call the shots. You have to communicate with them, too."

McConnell emphasized that quality control at Golden West is a team effort. "Quality is more than a comparative thing," he explained. "We read the labels. We want to serve good food and healthful food.

"And we do a lot of cutting and sampling of the products we buy regularly. Every week we're conducting ongoing testing. We want to be sure our quality stays consistent.

"When a new product comes in for consideration, it goes through a four-step process. First, we compare it with our current products if there is any similarity or if it is designed to replace one. Then we invite other suppliers to submit samples of their competitive products.

"The third step is to have our evaluation team consider it. That team will generally consist of me, the president, executive vice president, general manager, a representative from the advertising department and district supervisors. We look at every aspect of the product.

"With as much new product activity as there is in the marketplace, we're conducting that type of evaluation almost every week."

If the product passes the team evaluation, it goes to the final stage, into an actual test at a couple of the units. "Our customers are the final judges," McConnell emphasized. "We solicit customer reaction on any new product. After all, that's the whole purpose of this business: to please the customer."

Pricing review is an important part of McConnell's job, he said. "The unit managers send invoices to the office," he noted. "Here they're reviewed by me and by the accounting staff.

"They're compared to the bids from the suppliers: monthly from the master distributor, weekly from the meat purveyors, but on some regular schedule from all of them not on a contract. But we don't find many problems. Our suppliers work closely with us."

McConnell is the company troubleshooter when it comes to food supply. "An important part of our quality control system is the unit managers," he said. "And an important part of quality from our standpoint is service. If any problem comes up with either quality or service, I hear about it right away.

"Not that we have many problems, but when one does arise, I go right to the source. We know our suppliers. I visit them frequently.

"Before we ever take on a new one, I go out and look at the warehouse and the trucks. If they can't run a clean operation, we're not interested. Sloppiness usually carries over into all aspects of service.

McConnell reviews his suppliers regularly. "We have a quarterly review of our major suppliers, but we get to all of them at least once a year," he said. "It works out very well.

"We let our suppliers know what we expect from their sales reps and from the drivers. Drivers are a key factor in service. Our unit managers order by phone. The supplier representative they see is the driver.

"If that driver can't communicate with our units, the whole system breaks down. But we've been very fortunate with our suppliers. They have good people.

"Teamwork isn't just an internal thing. Our suppliers are also part of the team. By staying flexible and working together, we can all be successful."

MARKETING

Operators: '90s advertising must begin in unit

(Continued from page 12)
ing show that the top 10 restaurant chains spent nearly $530 million on local television buying in 1989 — a 5-percent increase over the 1988 figures.

However, casual-themed operations like T.G.I. Friday's and Denny's have hiked local radio spending more than 100 percent since 1987.

According to the Radio Advertising Bureau, T.G.I. Friday's spent $5.3 million and Denny's $3.3 million, ranking them fourth and ninth respectively, among all restaurants buying radio air time in 1988, the last full year of available statistics.

"A television ad on prime time in a local market can cost thousands of dollars," a researcher for the RAB said. "More restaurants and fast-food chains discovered food commercials airing on TV at 8 o'clock at night aren't that cost-effective because most people have already eaten dinner."

But regardless of the medium employed, speed and efficiency of a chain's message will be a key challenge for foodservice advertising in the 1990s.

"People have less discretionary income and even less time to eat," said Ron Paul, president of Technomic, a Chicago-based research firm. "Restaurants cannot bombard the consumer with 19, 20 similar tag lines and offers."

With the 1990s consumer strapped for time as well as money, more operators are sculpting their marketing and promotional calendars toward the off-premises market.

According to figures from the NRA, off-premises food consumption now accounts for about 45 percent of the traffic in the estimated $241 billion foodservice industry.

Greg Lippert, director of marketing for the 270-unit Mazzio's Pizza, warned that simply advertising take-out and delivery isn't enough — especially in the pizza segment.

Lippert said that, facing major segment competition from Pizza Hut and Domino's, the Tulsa, Okla.-based Mazzio's also offers delivery of hot and cold sandwiches, pasta, and even nachos.

"If the 1980s was the decade of 'spend, spend, spend,' the 1990s will be the decade of 'save, save, save,'" Lippert said. "Buying take-out is less expensive than eating on-premises, so you'll see a lot more of that throughout the 1990s."

To counter the menu competition of Pizza Hut and Domino's, Mazzio's has launched a variety of specialty pizzas and coupled them with price discounts and coupons.

The burgeoning children's segment will be a prime in-store target for both McDonald's and Burger King, as each will allocate a hefty chunk of its 1990 promotional efforts to the burgeoning children's segment.

With $1.1 billion slated for advertising and promotions — the highest in the foodservice industry — McDonald's will continue to funnel much of its marketing efforts via its children's "Happy Meal" package and tie-ins with motion pictures like the chain's recent $5 gift certificate redeemable for figurines from the Walt Disney film "the Little Mermaid."

Miami-based Burger King, which finally ended its well-documented 1980s advertising failures by splitting the company's $200 million ad budget between the agencies of Saatchi & Saatchi and D'Arcy, Masius, Benton & Bowles, has answered McDonald's children's meal with its "Kid's Club."

A Burger King representative said the 5,500-unit chain plans to have Kid's Club tie-ins with several airlines, publish a Kid's Club newsletter and offer premium coupons redeemable for various figurines like the current Kid's Club offer of Teenage Mutant Ninja Turtles replicas.

The $5 billion dinner house segment will be one of the most hotly advertised segments of the the 1990s, as operations like Red Lobster, T.G.I. Friday's, Chi-Chi's, Stuart Anderson's and Chili's scramble to gain even fractional increases in market share.

"Over the last decade, the dinner house has basically evolved to a TV concept," said Julia Stewart, director of marketing for the 85-unit Stuart Anderson's Black Angus restaurants in Los Altos, Calif. "But you can't just throw an idea against the wall or in a TV commercial and hope it sticks. As dinner-house operators, we compete not only against our own segment but with the upscale independents, too."

Dinner-house operators say that specially priced "limited-time offers" coupled with new entrée lines will account for the bulk of that segment's marketing strategy during the next several years.

While fast-food and casual-theme restaurants can run multi-faceted promotions, many upscale restaurants will rely more on "event marketing" during the 1990s.

"We tailor our advertising efforts because we know what type of clientele we're targeting," said Mary Edwards, director of marketing for Sfuzzi, a three-unit Italian concept with locations in New York, Dallas and Houston. "Last year we ran a promotion celebrating the 100th anniversary of the modern-day pizza."

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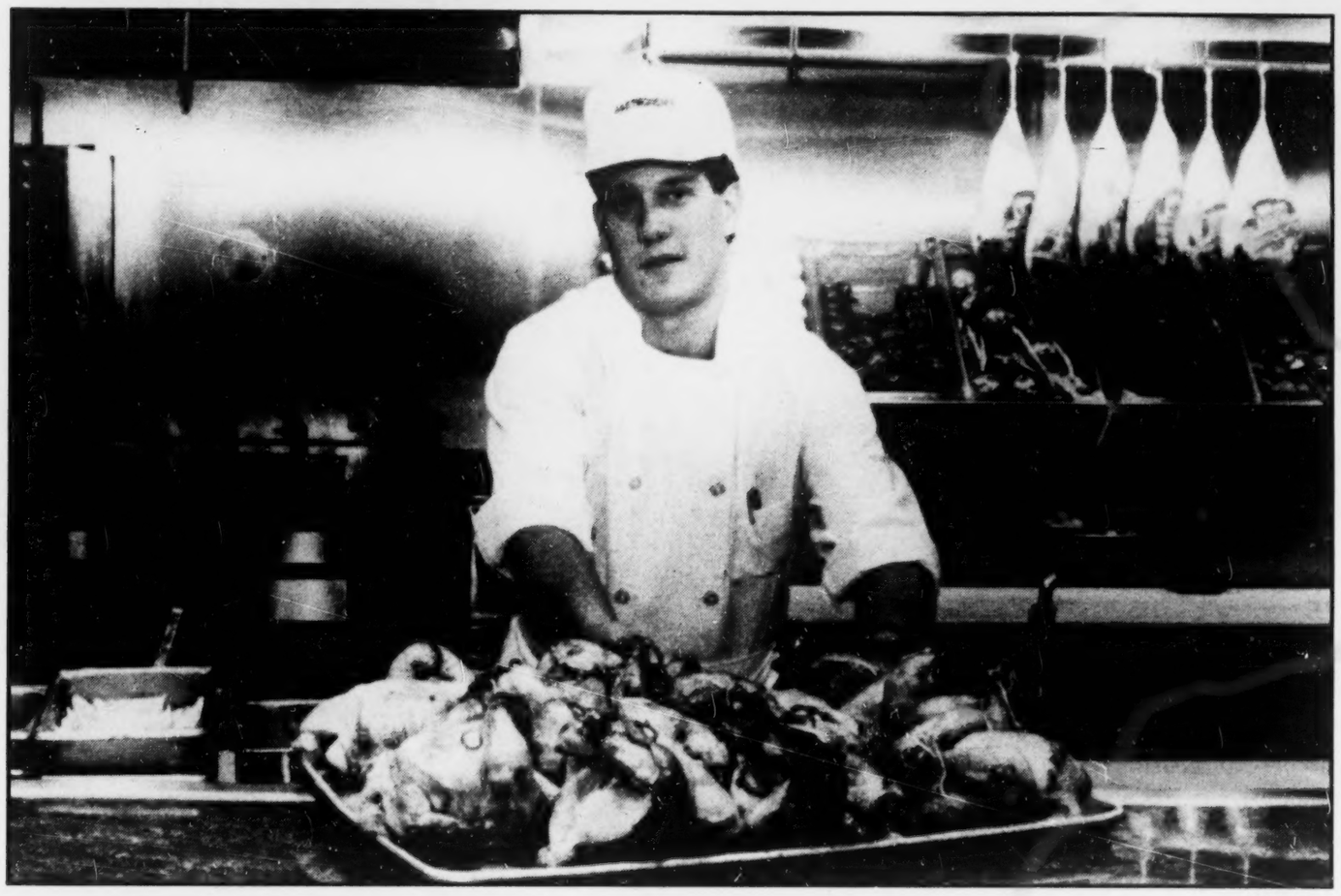
Vol. 24, No. 10 | Published every Monday by Lebhar-Friedman Inc. | March 5, 1990



NRN Photo

Marco Schlenz in the exhibition kitchen at Baci Trattoria.

Gastronomy Inc. bets on Baci to whet Salt Lake appetites

by Alan Liddle

SALT LAKE CITY — "Gastronomy: the art or science of good eating." Webster's Ninth New Collegiate Dictionary.

Gastronomy Inc.: a purveyor of good eating that rings up annual sales of $17 million from seven restaurants in historic Salt Lake City buildings.

Owned and operated by John Williams, Thomas Sieg, Tom Guinney and Marco Schlenz, Gastronomy Inc. has combined dynamic design, "comfort foods" and moderate prices to become a high-volume leader of downtown dining.

"We're not trying to make a 'statement' or a fickle culinary creation; we're trying to create value, great atmosphere and consistent products," co-owner and corporate chef Schlenz says.

Perhaps best embodying that philosophy is the company's newest creation, the months-old Baci Trattoria, where the per-person average is $7 at lunch and $13 at dinner. The trattoria, along with its sister concept, Club Baci, a private club, is expected to generate first-year sales of about $3.5 million.

Baci Trattoria's decor, with its smooth, white, sculpted walls, pillars, archways,

(See GASTRONOMY, page 65)

Irked by no-shows, operators tighten seating policies

by Jack Hayes

In a renewed campaign against reservation no-shows, fine-dining operators from coast to coast are mobilizing computers, creativity and common sense to keep their lunch and dinner tables filled.

Wounded more by the missing dollars than by the lack of courtesy on the part of patrons who default on reservations, the owners of tablecloth restaurants across the nation are demanding reconfirmations and even cash for guaranteed seats.

And while some high-volume operations are overbooking, more and more restaurateurs — like so many doctors who bill for broken appointments — are beginning to charge the customers who jilt them without notice.

"A seat represents dollars, and we take great pains to see that every one is taken," said Tom Kaplan, manager of Spago in Los Angeles, where overbooking runs 10 percent to

(See NO-SHOWS, page 4)

What should be done about no-shows?

Nation's Restaurant News is opening the 24-hour, toll-free NRN Hot Line to gather the industry's views on no-shows.

What should be done about the problem? What are you doing? NRN wants to know.

When you call the NRN Hot Line, an answering machine will ask for your statement. If you like, you may leave your name and phone number so that we can confirm your statement for possible publication.

NRN Hot Line
1 (800) 678-7711

Mr. Donut franchisees win court round stalling takeover

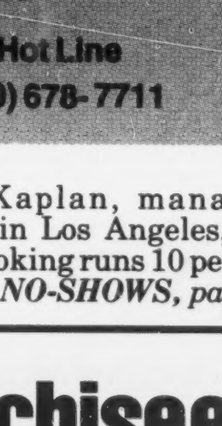
by Bill Carlino

ALLENTOWN, Pa. — A federal judge has ruled in favor of about 130 Mister Donut franchisees who are seeking to block the sale of the 588-unit doughnut chain to Allied-Lyons PLC by imposing a temporary anti-trust injunction on the British conglomerate.

The ruling by Judge Franklin Van Antwerpen of the United States District Court of Eastern Pennsylvania means that Allied-Lyons' January agreement to purchase Mister Donut for $31.5 million could be stalled for at least two weeks.

"We're obviously very pleased with the way things have gone," said Douglas Trowbridge, president of the Mister Donut Dealer's Association, the chain's franchisee group. "Basically, we want to stop the doughnut monopoly that Allied-Lyons is attempting to create."

Scrambling to keep their own identity, the franchisees charge Allied-Lyons, which just six months ago added the 1,900-unit Dunkin' Donuts chain to its portfolio, will eliminate chain competition in the retail



doughnut segment if the sale is allowed to proceed.

"If we become one chain, the customers who had a preference between Dunkin' and Mister Donut won't have a choice anymore," Trowbridge added. "The only other major

(See COURTS, page 64)

Disney set to unveil Mickey's Kitchen

by Richard Martin

MONTCLAIR, Calif. — The Walt Disney Co. has issued a "casting call" for foodservice workers to star in Mickey's Kitchen, Disney's first restaurant venture outside a theme park.

The "wholesome" fast-food outlet is set for an April debut inside the Montclair Plaza shopping mall, 30 miles east of downtown Los Angeles. Mickey's Kitchen will operate as an adjunct to a new branch of the company's Disney Store, a 41-unit gift-retailing chain that features Disney art and memorabilia.

Disney's planned launch of Mickey's Kitchen signals a new "Main Street" tack in hospitality for the entertainment firm, whose estimated 1989 theme-park restaurant sales of $506 million ranked it as the industry's 25th-largest foodservice operator.

However, Mickey's Kitchen is not Disney's first attempt at a retail mall-based food operation. Two years ago, citing a dim outlook for profitability, the company scuttled its 1987 plan to open an array of fancifully themed restaurants in a $300 million shopping mall-studio tour attraction it had

(See DISNEY, page 64)

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Nation's Restaurant News (ISSN 0028-0518) is published weekly, every Monday except the first Monday in July and the last Monday in December, by Lebhar-Friedman, Inc., 425 Park Ave., New York, N.Y. 10022. Second-class postage paid at New York, N.Y., and additional mailing offices.

POSTMASTER: Send change of address to Subscription Department, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079.

For change of address, please write Subscription Dept., Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. Six weeks' notice is requested. Please send old and new address and zip codes. If possible, include label.

Vol. 24, No. 10 March 5, 1990

NEWS BRIEFS

Chicago franchisee sues Sizzler

CHICAGO — Sizzler International has been slapped with a $25 million federal breach of contract suit by its third-largest franchisee, who alleges that Sizzler used fradulent means to weaken the licensee's business in order to regain the Chicago market with company stores.

FBN Food Services and its subsidiary, Midwest Restaurant Concepts, a 21-unit Sizzler franchisee, alleged that from the moment it bought eight Sizzler restaurants from Sizzler International three years ago, the franchisor has fradulently used a series of manipulative and deceptive practices to harm the franchisee's business and re-enter the market with company units.

"Sizzler is already there," said Thomas L. Gregory, the president and chief executive officer of Sizzler who expressed puzzlement over the charge. "Why would we try to put restaurants there when we have an excellent franchisee in Chicago? We have not done anything to get the market back."

The suit contends that Sizzler undermined FBN's business by failing to enforce operating standards, allowing other franchisees to skirt advertising co-op contributions, aligning an inferior meat supplier for FBN and attempting to recruit one of FBN's key executives.

Supermarket prices surge in January

WASHINGTON — Prices at grocery stores rose at their fastest year-to-year rate in two years in January, while restaurant menu price inflation eased again, the Department of Labor said in its monthly inflation report.

Food away from home, the Labor Department's barometer of menu price changes, rose 4.5 percent from the figure for the year-ago month in January after rising at a 4.6-percent rate in December and 4.7 percent in November.

Meanwhile, food prices in supermarkets jumped at an 8.1-percent rate in January after a 6.2-percent gain in December and a 6-percent rise in November, the department said.

Utah gov. signs drink reform bill

SALT LAKE CITY — Utah Gov. Norman H. Bangerter made the last day of the state's legislative session memorable for restaurant owners and their patrons by legalizing mixed drinks and extended hours for liquor service.

The bill permits restaurants to serve guests mixed drinks for the first time in at least two decades. However, it prohibits restaurants from serving mixed drinks until they have installed metered portion-control devices limiting the amount of liquor in each glass to 1 ounce.

The new law requires all restaurateurs and on-premises licensees to install the metered liquor dispensers by July 1, 1991, and enables restaurateurs to begin liquor service at 1 p.m., or three hours earlier than was permitted under the old regulations.

The law also bans "brown bagging," the practice of letting consumers bring their own bottles of liquor into restaurants, taverns and clubs.

San Francisco Maxwell's closes after 9 years

SAN FRANCISCO — Maxwell's of San Francisco, the 9-year-old, 800-seat creation of flamboyant New York restaurateur Warner LeRoy, has been shut and will be sold piece by luxurious piece at auction, management reported.

"It is the saddest of times," general manager Carlo Nardi said shortly before the closing. "This is a beautiful place, and the dream of any manager is to have a restaurant like this. Sure it is complicated — I lost my hair here — but when this place is full and pumping with life, it is a fantastic sight."

LeRoy reportedly spent $7 million to build the lavish white linen White Elephant at Ghiradelli Square but was ultimately forced to give up his stake in the troubled venture.

The owner of world-famous Tavern On The Green in New York, LeRoy opened the San Francisco restaurant based on the success of his Maxwell's Plum in Manhattan, which closed last year.

Nardi said Maxwell's of San Francisco was still generating annual sales of about $5 million when its owners, including New York-based Restaurant Associates, decided they would be better off selling the lease back to the landlord.

The high overhead associated with running Maxwell's reportedly had hindered its profitability from the beginning.

Marcella Hazan develops new Atlanta operation

ATLANTA — Italian cooking expert Marcella Hazan has signed on as a hands-on consultant for a new restaurant here, V.V. Vici.

The 147-seat restaurant is owned by a group of Hazan's former students, including Janet Colgin, director of operations for Dakota's restaurants in Boston and Dallas. Located in the IBM Tower, V.V. Vici — short for Julius Caesar's famous line *"Veni, Vidi, Vici"* — will feature an open grill and rotisserie in addition to outdoor seating on the patio.

Hazan, a best-selling cookbook author and cooking teacher, will spend the next two months in Atlanta developing the restaurant's authentic, home-style Italian dishes.

V.V. Vici, which has been in the planning stages for more than two years, is scheduled to open at the end of April.

McDonald's to test pizza in 200 units

FORT LAUDERDALE, Fla. — McDonald's will expand its pizza test to 200 units this year, the company told a meeting of financial analysts here.

In addition, the company said it has ended a five-month test of fried chicken on the bone and will not resume it. A group of Texas franchisees had been testing the item.

McDonald's is currently testing pizza in 24 restaurants in Hartford, Conn., Fresno, Calif., Las Vegas, Nev., and Evansville, Ind., chief financial officer Jack Greenberg told the group.

When an analyst asked Greenberg to provide an update on the pizza test, Greenberg drew a round of laughter when he replied, "I can tell you that it's the best."

Mahony follows Sirkis in Jerrico operations post

LEXINGTON, Ky. — Bill Mahony has succeeded Bob Sirkis as executive vice president of operations for Jerrico, operator of the Long John Silver's quick-service seafood chain.

Sirkis resigned in late January, according to sources at the company. They quoted a company statement that Sirkis left "to pursue personal interests."

Mahony was previously senior vice president of operations, reporting to Sirkis.

Koop calls for end to beer, wine TV, radio ads

NEW YORK — Former U.S. Surgeon General C. Everett Koop has called for a complete broadcast ban on beer and wine advertising as a preventive measure against alcohol abuse and drunken driving.

At a roundtable of marketing, advertising and media executives here, Koop said drinking "is visually associated with sex, patriotism and active lifestyles. It helps convince young people to drink."

Roy Rogers counters KFC with taste test

WASHINGTON — Roy Rogers, the fast-food chain about to be acquired by Hardee's, is challenging Kentucky Fried Chicken in a new "Guaranteed or Your Money Back" ad campaign that focuses on the results of a blind taste test.

According to the test, which is based on a survey of 500 residents of Northeastern metropolitan areas, consumers prefer Roy's chicken to KFC's by almost a two-to-one margin. Sixty-two percent of respondents said they preferred the taste of Roy's product, while 37 percent expressed a preference for KFC's signature item.

Nation's Restaurant News

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NEWS

Health plan mandate for Calif. operators

(Continued from page 3)

Although the law's intent is laudable, "there is a lot of stuff that restaurants would not be able to handle," said Naylor, whose American Restaurant Services operates 12 Hershel's family restaurants.

"The financial burden should not fall only on employers," Thompson noted. "If California decides health care is a universal right, there should be some sort of universal tax to pay for it. We may well have some responsibility, but we can't shoulder the whole responsibility."

Thompson predicted that Deukmejian's proposal will be rewritten several times before it is presented to the state Legislature for consideration. However, the governor said he would strive to present a bill to lawmakers by early March.

In the meantime, "the administration has been maintaining an open-door policy," Thompson said. "It's looking at the data it's getting from everyone."

Meanwhile, restaurateurs in Massachusetts continue to lobby for the repeal of that state's new health-insurance law. They are optimistic about their chances because the state lacks funds to administer such a program.

AmEx mulls charge for no-shows

NEW YORK — American Express denies it's any more than an idea, but restaurant operators believe the charge card giant will soon announce a guaranteed dining reservation plan for Platinum card holders at top restaurants in major cities.

Operators say the Platinum group's management is discussing a new program whereby cardholders will call a toll-free number to obtain reservations at top dining spots on 24 hours' notice.

Participating Platinum restaurants will be leading destination properties in major markets, operators said. There is a guaranteed no-show reimbursement promised by Platinum if booked reservations aren't honored.

"We've been trying to get it [American Express] to do this for the past two years," explained Gordon Sinclair of Gordon Restaurant in Chicago, who wants the same kind of program developed for the ubiquitous American Express green card.

Sinclair wants American Express to reword its green card contract so that restaurants may charge for no-shows. But American Express has no announcement coming on that issue.

"There is no progress on the assured reservation concept," a representative for American Express said.

Sinclair hinted American Express is afraid of abuses. He said the charge card firm might consider no-show reimbursement for operators honoring just the American Express card. But that would be too limiting, he said.

Another problem is written confirmation, Sinclair said. Hotels charge a no-show on the basis of having mailed a guaranteed reservation. But Sinclair believes operators might be able to send written seating guarantees via FAX.

Sinclair's main argument against charge card policy is that patrons don't consider themselves bound even when giving card numbers for reservations.

If cardholders were responsible, then reservations would become financial commitments customers would have to honor — or cancel by a certain time.

"And that would do away with the no-shows," Sinclair said. *J.H.*

> The main argument against charge card policy is that patrons don't consider themselves bound even when giving card numbers for reservations.

No Shows: Operators tighten seating policies

(Continued from page 1)

15 percent — the average no-show rate even with confirmations.

"At $58 a person, we lose big when a party of 10 doesn't show," said Deborah Elsner, who is an assistant maître d' at Nikolai's Roof in Atlanta and handles telephone reconfirming to slash the no-show rate.

The nationwide no-show crackdown is part of an all-fronts battle against shrinking margins in the face of aggressive competition and the menace of sky-high overhead within the fine-dining segment.

"We enforced a $20-per-seat deposit for Super Bowl reservations," said a staffer at Versailles in New Orleans. "After so many no-shows on New Year's Eve, we had no other choice."

In major convention cities, where reservation breaches run rampant during overcrowded trade shows and sporting events, operators are reluctantly calling 1990 the start of "a decade of disloyalty."

At Commander's Palace — another popular New Orleans destination that is not immune to abusive no-shows, particularly during major conventions — large tables are now reserved with refundable deposits, said operator Ella Brennan.

But while visiting out-of-town groups are blamed for much of the no-show harm, small parties and locals also are big offenders, according to operators.

"We've been studying the problem, and there isn't any consistency," said restaurateur Brennan. "It's just another example of declining courtesy," she said, echoing her peers in other cities.

The national Restaurant Association, in its most recent study of reservation no-shows, reported that three-fourths of tablecloth operators were calling to reconfirm table bookings with patrons.

But while the notion of demanding credit card numbers, requiring deposits on special- occasion nights and charging no-show fees was only minimally popular a year ago, that attitude is apparently changing.

Drew Nieporent, owner of Montrachet in New York, took deposits for New Year's Eve and Valentine's Day to guarantee seating. The 60-seat restaurant, which opened in 1985, is asking patrons to reconfirm reservations one day ahead of dinner.

"We'd have a 40-percent no-show rate without reconfirmations," said Nieporent, who calls patrons when they forget. And he defends his new policy of special-occasion deposits as an operating must.

Leslie Reis, owner of Café Provençal in Evanston, Ill., has an even tougher policy but claims it has cut down dramatically on no-shows and smoothed her seatings.

"We've had mandatory reconfirmation for five years," said the outspoken critic of no-shows. "The rule is reconfirm by 2 p.m., or we might cancel your reservation. In fact, we release the table after 3 p.m."

Café Provençal also takes deposits for New Year's Eve, Valentine's Day and during graduation week at Northwestern University, which is three blocks from the restaurant.

"We're very nice about it," Reis explained. "It's a $25 deposit, and the number of no-shows I've had to keep up with is minimal because when there's a money commitment, they either call or show up."

Reis, who keeps no-shows in a computer file and refuses a reservation to anyone whose name appears twice, recalled one patron's calling from the hospital after his wife gave birth six weeks premature, asking not to be blacklisted.

But operators complained that the stepped-up no-show attention diverts them from culinary and hospitality concerns, where they would much rather be focused.

"We're going to become more like accounting firms than restaurants," said Charles Palmer, who co-owns and operates the 96-seat Aureole in midtown Manhattan.

Calling New York the most troublesome no-show city in the nation, Palmer said he's justly proud that Aureole's broken reservations run just 15 percent.

"We reconfirm every day, and we never take reservations more than two weeks in advance," said Palmer, who hates to look at empty tables after they've been reconfirmed that morning.

CORRECTIONS

"Service America aims at segment leaders," page 7, Feb. 5, incorrectly reported that Ameritech is the parent company of AT & T's Midwestern operations. In fact, Ameritech is affiliated with Midwestern Bell, not AT & T. The article also stated that the feeding contract would encompass 65,000 employees a day. Actually it will encompass 62,000 employees and guests.

* * *

"Campus feeding," page 27, Feb. 19, incorrectly reported that the National Restaurant Association predicts college and university foodservice sales will total $11.5 billion this year. In fact, the NRA estimate is $6.5 billion.